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January 30, 2004

Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: WCB Docket Nos. 01-338, 98-147, 96-98

Dear Ms. Dortch:

On January 29, 2004, Jim Sackman, Chief Technical Officer of Advanced Fibre Communications ("AFC"), Amy Paul, General Counsel of AFC, and I met with Chris Libertelli, Legal Advisor to Commissioner Powell, Matt Brill, Legal Advisor to Commissioner Abernathy, Dan Gonzalez, Legal Advisor to Commissioner Martin, and Tom Navin, Brent Olson, Michelle Carey, Pam Arluk, Marcus Maher, Gail Cohen, and Robert Tanner, all of the Wireline Competition Bureau. The attached material was presented at the meeting.

Forward-Looking Statements. Except for historical information contained in the presentation, the attached presentation contains forward-looking statements regarding future events and the future performance of AFC that involve risks and uncertainties, including statements as to the anticipated benefits to AFC of the acquisition of NAA and the expectation that the acquisition will be accretive to AFC's earnings and cash flow in 2004, excluding acquisition-related charges. Actual results may differ materially from those indicated by such forward-looking statements based on a variety of risks and uncertainties, including the risks that the closing of the transaction will not occur due to failure of a closing condition; that AFC's operation of the NAA business will not be accretive to 2004 earnings and cash flow; that AFC will not be able to successfully integrate NAA products and employees into AFC; that AFC's new products will not achieve anticipated market acceptance; and that AFC will experience increased

Ms. Dortch
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competition due to its expanded product offering. Information about additional potential factors that could affect AFC's financial results is included in AFC's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which have been filed with the Securities and Exchange Commission. We undertake no obligation to revise or update these forward-looking statements to reflect events or circumstances after today or to reflect the occurrence of unanticipated events.

In accordance with Commission rules, I am filing copies of this notice and request that it be included in the record of the proceedings identified above. If you have any questions, please contact me at (202) 326-7975. Thank you for your assistance in this matter.

Respectfully submitted,

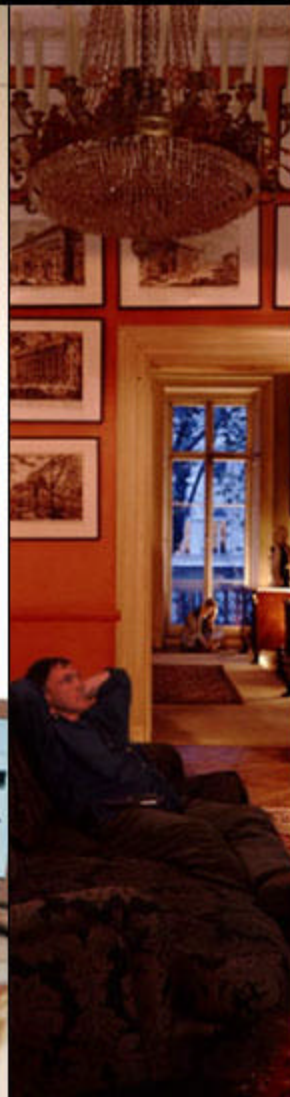
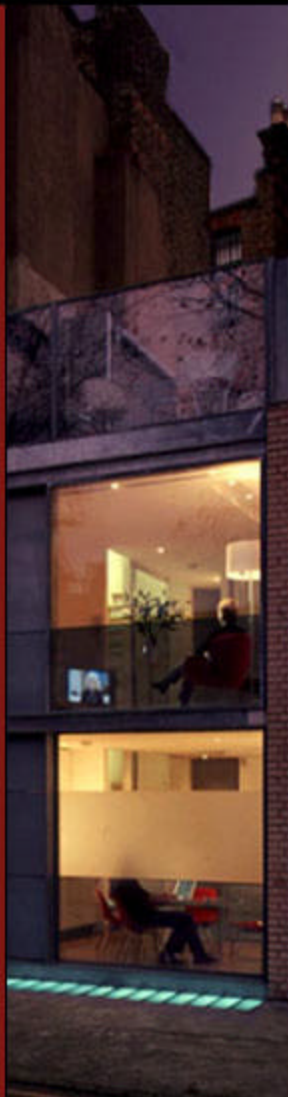


Sean A. Lev

Attachment



The AcronymSM
for Access



Presentation on FTTC and FTTP

January 29, 2004



AFC Overview

Market Position

- An Access Network Expert – Solely focused on delivering a broad range of broadband access solutions: DSL, FTTP & video
- An extensive deployed base of Next Gen access equipment allowing seamless evolution from legacy to feature-rich future networks
- Recent sizeable footprint & sales gains enable customer migration from circuit to packet and copper to fiber

Attractive Customer Base

- A premier supplier to the IOC market, significant presence in North American LEC market & growing RBOC penetration

AllTel

SBC

Sprint

CenturyTel

Millennium Telecom

Verizon

Financial Strength

- Solid Balance Sheet
- Last 12 mo. Revenue \$334M (as of Sept. 30, 2003)
- Positive cash flow

Public Company

- Publicly traded on Nasdaq (AFCI)
- Current market cap of \$2 billion
- Founded in 1992



Key Product Areas

- ➡ Digital Loop Carriers with Integrated DSL
- ➡ Video over DSL
- ➡ FTTP and FTTC
- ➡ VoIP



Investment in Broadband Access

Transaction

- ➡ **1/5/04 AFC announces agreement to acquire North American Access (NAA) business of Marconi Communications, Inc**

NAA's Technology Focus

- ➡ **Supplier of last mile copper and fiber access systems to leading service providers**
- ➡ **Seasoned business, founded in 1965, with substantial deployed base of access lines in North America, both copper and fiber-based**

On top of our R&D spend, AFC is investing significant additional dollars to make a Broadband Future.



What it Means for Access

Today

- A Copper Network
- Great Voice Network
- Partial DSL Rollout
- No Video

Transition

- New Types of Equipment
- Lower CAPEX & OPEX
- Fits Today's Infrastructure
- Sets up for the Long-Term Network
- No Forklift Upgrades

Future

- All Fiber Network
- Voice, Video, & Data
- Superior Network to Cable & Wireless

- ➡ The Wireline Telecom market has two themes that are occurring in parallel:
 - The Packetization of the Network
 - The Fiberization of the Network
- ➡ Packetizing the Network will allow carriers to save transport costs by eliminating multiple backbone networks.
- ➡ Fiberizing the Network will allow carriers to deliver the maximum bandwidth for the lowest cost.

- ➡ The objective is to deliver bandwidth!
 - AFC's ONT for the Verizon FTTP deployment supports 30 Mb/s of throughput
 - ADSL2+ or VDSL delivered from a FTTC ONU can deliver 25+ Mb/s of throughput
 - Both systems can also deliver POTS and a 860 Mhz Video feed.

Both FTTC and FTTP deliver the same amount of bandwidth to a home.

Services Delivered over Fiber

	FTTC	FTTP
TDM Voice	v	v
VoIP	v	v
High Speed Internet	v	v
Analog TV	v	v
Digital TV	v	v
Video on Demand	v	v

FTTP and FTTC deliver the same services to a customer

Why 2 Technical Solutions?

- ➡ Outside Plant Engineering is unique for each location based upon:
 - Geography of the location
 - Demographics of the location
 - Construction used at the location
- ➡ Thus, different locations may have technical answers to solve the bandwidth problem economically.

So Why Not Have Both?

- ➡ If the end consumer experience is the same from a bandwidth standpoint, why not have the rules cover both FTTC and FTTP the same way?
- ➡ Some distance limitations from the fiber to the actual premise is probably a good idea (500 or 1000 feet seems reasonable).
- ➡ Then let the Network Engineers have cost effective solutions to their problems.



AFC = Access

- ➡ Access Focus firm with estimated 04 Revenues of over \$500M including NAA
- ➡ AFC is investing \$100M's in the conversion of the network from:
 - Circuit to Packet
 - Copper to Fiber
- ➡ AFC is interested in providing both FTTC and FTTP to give the largest number of consumers broadband connections.



The Acronym
for Access SM